G.R., G.D., No. 2408, dated 22-6-22.]

Correspondence

DOCKET SHEET

Subject :—

File No. EST 1054

_____ **DEPT.**

_____ **BRANCH.**

References :—

Date.	To whom sent.	Notes and instructions.

REHABILITATION DEPARTMENT.

'D'

Please see the accompanying F.D. orders regarding reconcilia tion of the figures of receipts under 'XX Interest .' The Finance Depa rtment has directed that the controlling officers and Deptts. indicated therein should be responsible for reconciliation of the the receipts under 'XX Interest ' and that a quarterly report should be sent to the Finance Department It will be seen from Sr. No. 12 in the list under the heading 'Interest on miscellaneous loans and advances' that this Depa rtment has been declared as the Deptt. responsible for reconciliation of the receipts on account of interest on the loans granted to displaced persons. The Back-ground ~~in-which-ground-in~~ which these orders havebeen issued by The F.D. are not quite clear. The authorities responsible for control over the receipt on account of interest on various loans have been indicated in appendix 2 of the Bombay Budget Manual. It appears that the various entires whoen therein have now become more or less obsolete in view of the various changes that have occurred and also as a result of the considerable expansion in nation building activities undertaken by Government. The foregoing orders havebeen issued, apparently on the basis of thelatest position and also to indicate clearly which officers are res-ponsible for reconcil iation of thereceipts on account of interest on different types of loans . The Rehabilitation Department being a tempy. Departmet and also as the scheme for the grant of loans to displaced personswas started only in 1948 does not figures in the list. Since, however, this Depa rtment is dealing with the scheme, steps will have to be taken to start the work by calling for the necessary statements from the departmental officers concerned

departmen officers concerned . Incidentally, the Finance Department orders pertain to reconciliation ofthe receipts on account of interest only It is not clear why a reference has not been made to recoveries on account of 'principal'. The Finance Department will have to be requested to clarify the position but it seems that these receipts will also have to be reconciled by this Department /A

2. It is at the outset necessary to make it clear that this work was not so far being done by the RHD. as the question of recoveries of interest being made, their reconciliation etc. did not arise until the financial year 1952-53 as most of the loans were granted from the from the financial year 1949-50 onwards. This work is thus a distinct and new addition, involving an extroardinarily large amount of work as will be indicated hereafter, to the work of the R.H.D. for which not staff has been sanctioned nor is it possible for the existing staff to do it in addition to its normal duties. Apart from the reconciliation of receipts on account of principal and interest there are certain other matters i.e. liability involved in the repayment of the rehabilitation loans obtained from the Govt of India and the "Moratorium" sanction by the Govt of India to the State Government which have already assumed considerable and which will , it is expected, assume still greater importance in course of time for which it is necy. to augment t eexisting RHD. staff. As a matter of fact just before the F.D. orders were issued The question of asking for Addl. staff was proposed to be taken up but was postponed till now inview of the foregoing F.D. orders. This will be discussed in a subsequent portion of this note.

3. The extent and the nature of the work required to be done in connection with the reconciliation of the receipts both on account of interest charges and recovery of principal will be gauged from the facts that this Department has so far sanctioned loans agregating Rs.2/-

of reconciliation under some other heads is any guide it can be safely assumed that at least two persons will be kept fully busy with this work alone throughout the month apart from the work involved in the Department itself in maintaining the necessary registeres and working out the figures for each treasury, the A.G.'s office will have to be visited almost every alternate day. This is so far as reconciliation of the receipts on account of principal and interest are concerned but as stated earlier in para 2 there are certain other matters which have a direct bearing on the reconciliation of receipts on account of interest and principal and the repayments of loans to be made to the Government of India.

4/- The loans sanctioned to displaced persons have been financed by obtaining loans from the Government of India. These loans are repayable to the Govt. of India on different terms and conditions depending upon the nature of the loans. Some of the loans are repayable over a period of six years (urban loans) whereas the housing loans are repayable in 20 years and 25 years. Till the end of 1952-53 this Govt. has obtained from the Govt. of India loans aggregating Rs. 9 crores. The losses sustained on these loans are to be shared on a 50:50 basis by the State and the Union Govt. The losses are however to be computed at the end of repayment period. In view of the small recoveries being made from displaced persons and until the final computation of the losses a concession has been granted to the State Governments in regard to the repayments to be made to the Government of India from year to year This concession briefly is that the State Government will pay to the Union Govt. the amounts actually

recovered.....

recovered from the displaced persons plus 50% of the difference between the amounts due to be paid and the amount actually recovered. Thus to a certain extent the principle of the losses being shared in an equal proportion has already been implemented by the Govt. of India. This Government has however taken the standthat the repayments of the rehabilitation loans should be restricted only to what is actually recovered from the displaced persons and nothing more and a ref. has already been mad-e to the Govt. of India but that Govt. has not yet communicated its decision. These repayments involve a large budden on the State finances and the liability will go on increasing from year to year as one by one the variou loans become due for repayment. An idea of repayments can be had from the facts that till the end of 1952-53, an amount of Rs. 52 lakhs has already been paid to the Govt. of India while the repayments during the current and the next financial years will be of the order of Rs. 68 lakhs and Rs. 86 lakhs respectively. Even on the basis of the concession sanctioned to the State Govt. the repayments in the current and next financial years will it is expected amount to about Rs. 35 lakhs and Rs. 45 lakhs respectively. In order to ensure that the amounts to be repaid are corfectly worked out the need for maintaining proper accounts of the recoveries effected hardly needs to be stressed. The rent formula for fixing the rents from displaced persons is made up of (i) interest charges on the loans sanctioned by the Govt. of India. (ii) maintenance and repairs (iii) management. Besides these items, recoveries are also effected on account of convenience charges and municipal and local taxes where leviable. The rent receipts and other charges are recovered from displaced persons as a whole and are credited to the same head- XLVI.Misc. Since repayment of loans to

Govt. of India are now correlated to the recoveries from displaced persons the exact amounts on account of each of these items included in the total rents and other receipts will have to be separated and only that portion of the receipts which is on account of interest will have to be taken into account in computing the repayments. It may also be added that in regard to some of the essentail services in the displaced persons' townships and colo ies a proposal for sharing the expr. on a 50:50 basis has been made to the Govt. of India and for this purpose also the recoveries made from the displaced persons will have to be separated head wse as indicated above. All this will have to be done by the R.H.D. as the Deptt, controlling the various grants. The reconciliation of receipts on account of interest, capital repayments, recoveries on account of rent and convenience charges are thus closely inter linked with the repayments to be made to the Govt. of India and if proper justice is to be done to this work the necessity of addl. staff hardly needs special emphasis. On several other papers, whenever the question of repayment of loans, sharing of losses, etc. was discased, F.D. has been insisting on this Department purpuing the matters further with the Govt. of India so as to avoid an unnecessary extra burden on the State Finances. For doing all this work the maintenam ce of detailed statistical data is of the utmost importance and this cane only be done by sanctioning addl. staff.

5/- As regards the addl. staff required to be sanctioned, as pointed out, in para 3 above two men will be kept fully busy with the work of

reconciliation----------

reconciliation under "XX-Interest"" and "R-loans and Advances" alone- For looking after the other work referred to in para 4 above, and this would perhaps be more responsible part of the job one addl.hand would be an absolute necessity. Considering all circumstances, it is felt that a staff consisting of one Sr. Asstt., the Jr. Asstt. and one Lower Division Clerk would be the bare minimum required to start with. The question whether any addl. staff would be required or whether on the other hand one or other of the posts to be sanctioned could be done away with, can be examined later in the light of actual experience say after six months. If approved, therefore the F.D. may be requested to agree to the creation of the above posts for a period of six months in the first instance with effect from the date of appointment. If the posts are created say from the 1st Febry. the cost in the current financial year will be Rs. 560/- only, and it will not be difficult to meet it from the sanctioned grants. As regards the next financial year although no budget provison has been made in the next Year's bhdget, the question offinding out funds will not present much difficulty as the cost will be about Rs. 7,000/- and efforts will be made to accommodate it within the provison of Rs. 1,87,000/- accepted by the F.D. Steps to call for the statistics required for reconciliation are being taken separately.

S.A. - Rs. 270.
J.A. - Rs. 170.
Clerk- Rs. 120

Rs. 560.

Id/- 31/1./53. Id/- 31/12/53.
Secy. Id/- 1/1/54.
U.C.R. to the F.D. dated 2/1/54.
No. BUD 1753/44889-D.

X.D.
7/9.

FINANCE DEPARTMENT VIII

Please see the foregoing R.H.D. proposal for additional staff. The proposal has been made because of the additional work thrown on the Department as a result of the orders in G.C.M. F.D. No.P-259-VII dated 13/8/53. The question of sanctioning addl. staff can be considered at this stage, only with ref. to the addition of work resulting from the said G.C.M. . If, the R.H.D. wants any additional hands for increase in work in other respects that Deptt. will have to justify the proposals by giving the number of receipts and issues during the last year. If the information indicates adequate increase the question of sanctioning hands will be considered.

2. As regards increase in work due to the orders in the said G.C.M. following remarks are offered. As a result of the orders in the G.C.M. work of many Deptt. increased But all the Departments have not been allowed additional staff Incertain Departments where the reconciliation work is heavy e.g. in the P.&.S.D. additional Jr. Asstt. has been sanctioned in F.D. no additional hand has been created so far. In view of this, The staff proposed by the R.H.D. cannot be agreed to. As however, that Department has to deal with loans in large sums Finance Department may agree to one post of Jr. Astt. for the work for period of one year in the first instance .The exact source for meeting the expenditure should be specified in the orders to be issued .

3 As regards portion marked 'A' on P.2. ante, it may be stated that orders re; declaration of "administrative Departments concerned" under "Loans and Advances by State Government" will be issued separately in due course. Rehabilitation Deprtment will however have to watch the recoveries from displaced persons in view of the

view of the moratorium granted by the Government of India for repayment of loan sanctioned by Government of India in connection with the rehabilitation of displaced persons. The moratorium is related to the recoveries effected from the displaced persons The post of an additional clerk may be sanctioned later on in the light of the actual experience gained.

4. If the Rehabilitation Department proposes, as modified in the above note, is ~~working acquired~~ eventually equipped in and on additional Jr.Asstt. appointed for one year in the first instance and in case that Deptt. wants the post to be continued beyond that period, that Departments will have to justify the necessity for such continuance by producing ~~statistics~~ statistics eg.

i) No. of ~~periodical~~ reports received from the controlling Authorities in ~~continuation~~ Connection with the reconciliation work arising out of the orders issued in GOM F.D.NO.~~figures under "XX Interest"~~. 259-VII dated 13/8/53.

ii) No. of ~~lists~~ visits of the Jr.Asstt. to the A.G'S office during the year for ~~reconciliation work arising~~ for reconciling by the figures under "XX interest".

iii) No. of discrepancies the Jr.Asstt. had to deal with and the ~~statement~~ correspondence ~~ing~~ ensured on that account.

iv) No. and nature of registrers maintained in ~~communication~~ connection with the said reconciliation work.

v) Any other information indicating the ~~work~~ volume of work involved.

5

2/3/54

Forwarded with compliments to Rehabilitation Department Dt.4/3/54

MKP

REHABILITATION DEPARTMENT/D

The draft orders creationing a post of Junior Assistant in this Department for a period of one year in the first instance are put up The ordersmay issue. The question of appointing a ~~xxx~~ suitable persons to this post may be taken up afterwards.

2/- he post of Junior Assistant is for the purpose of reconciliation in respect of loans and advances. It is presumed that the post will be attacked to the A Branch, which has already ~~xxx~~ collected a good deal of material in form of returns.

The presumption at A above is not correct this post should be ~~affected~~ attached to D. Branch. The information ~~attached~~ collected by A Branch can be taken over by D Branch

Sd/-

12/3/54

MKP.

Statement showing the expenditure incurred on grant of loans to displaced persons from the year 1947-48 to 1952-53 and budget provision 1953-54.

(Figures in thousands).

Head of expenditure.	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	Total	Budget of 1953-54.
Urban Loans.	-	5,97	68,32	52,11	11,34	1,70	1,39,44	10,00
Rural Loans.	-	-	-	6,87	1,49	4,12	12,48	1,50
House Building Loans.	-	-	-	5,97	15,67	15,58	37,22	15,00
Total:-	-	5,97	68,32	64,95	28,50	21,40	1.89.14	26.50

X.D.
7/9.

Submitted with reference to Government, Rehabilitation Department dated the 29th March 1954 underlying office notes dated 31/12/53 and 12/3/54.

2. The post of Junior Assistant for reconciliation of the figures of receipts under the head "XX-Interest" on account of urban, rural and housing loans to the displaced persons for which the Rehabilitation Department had been declared as Controlling Department under the Government Resolution, Finance Department No. P.259-VII, dated the 13/8/53, was created for a period of one year ending 28/2/ 55, ~~was created for~~ vide Government Resolugion mentioned above. The sanction of the said post expires on 28/2/55 and the question of its further continuance has to be considered now .

3. Since the Rehabilitation Department was declared as Controlling Department reaponsible for reconciliation of the figures of receiptsunder "XX-Interest " in respect of the urban, rural and housing loans advanced to the displaced persons, monthly statement of receipts on account of Interest under " XX.Interest" on and principal of the loans mentioned above during the year 1953-54 and the subsequent year were called for from the subordinate officers vide Government, Circular, Memorandum Rehabilitation Department No.BUD 1754-D dated the 22/4/54. Most of the officers have furnished the requisite statements. While reconciling the figures of monthly receipts reported by the departmental officers with those booked in the A.G.'soffice, it was found that the reconciliation of the figures under 'XX.Interest" was rendered difficult since the figures on account of recoveried of interest on loans to displaced persons under "XX-Interes

MKP.

XX.Interest" reported by the Treasury officers. in their respective monthly Receipt- Schedules furnished by them to the A.G. Bombay are not being booked in the A.G.'s office separately under each respective head. The form of Receipt-Schedule furnished monthly by the T.O. 's to the A.G. Bimbay does not contain the detailed heads, viz, interest on urban loans interest on rural loans and interest on housing loans to displaced persons separately and although the departmental officers have been crediting receipts on account of interest on urban, rural and housing loans to displaced persons respectively, the figures are not shown separately on account of the defective receipts schedule form. Steps are, therefore, being taken in consultation with the Finance Department amend the receipt schedule separately. Simultaneously the figures will be got certified by the departmental officers. From the Treasury Officers concerned to the effect that the suid figures have been included in the receipt scheduled for the respective month. The departmental officers have already been instructed to get the figures certified accordingly (vide G.C.,RHD,dt.22/4/54) In the meantime the returns received from the subordinate officers are being consolidated so as to reconcile the figures of recovery in respect of each loan and as soon as the receipt schedule is amended, the exact differences between the figures reported by the departmental officers and those booked in the A.G.'s office will be found out.

4. The information in respect of the points mentioned in para 4 of the Finance Departme-nt ~~office-s-and-these-books~~ note dated 8/2/54 is as follows:

Point (I) So far nearly 200 periodical reports have been received from the subordinate officers.

Point (II) :- So far theJunior Assistant has visited

visited Accountant General's office for 12 times for reconciliation work

Point (III) The discrepencies will be found out after the receipt schedule is amended.

Point (IV) The periodical reports are being concolidated.

Pointed (V) The actual volume of work cannot be stated at this stage. As stated above the amount of the figures ofrecoveries reported by the officers for each kind of loan are being maintained in this Department and how for they differ from the A.G.'s figures will be found out as soon as the schedule is amended.

(VI) The circumstances in which the post was created have already been ~~expe~~explained in detail ~~Rs.-1-to--8---~~ in the O.N. dated 31/12/54, The question of repayment of loans to Government of India is closely linked up with the recovery of the interest and principal of the loans advanced to the displaced persons and Rehabilitation Department has to ensure that the adjustments are made correctly by the A.G. The need to continue the post of J.A. for a further period of one year is therefore ,manifest.

(VII) An idea of the work load can be had from the fact that the loans aggregating Rs. 2,00 crores (Rs 1.45 crores for urban loans 0.39 crores for Housing loans and 0.15 ~~for~~ crores for rural loans) have been advanced to dps under urban loan schemd have been further liberlised to a certain extent and loans are now being advanced to non-claimant displaced persons also. Statement showing theexpenditure incurred on grant of urban rural and housing loans to displaced persons during the year ~~the years~~ from 1947.48 to 1954-55 (December 1954) is appended for information. The loans have been disbursed in almost all the distict and the receitps on account of interest will be credited by the officers concerned to the nearest Treasury or Sub-Treasury. As displaced persons are settled over all the districts, the treasury Receipts schedules of all the treasuries or sub-treasuries have to be referred to while reconciling the figures.

to dps the conditions regarding the grant of urban loans

In view of the circumstances explained above, the Finance Department may be requested to agree to the continuance of the post of Junior Assistant for a further period of one year from 29/2/55 co-terminus with the other staff of the Rehabilitation Department. A

Un official reference to Finance Department dated the 22/2/55. No. BUD 1753/4488-9-D.

Finance Department. VHI

Submitted with ✓ reference to the on dated 5/2/1954 on page 10 ante.

2 In view of the detailed justification given by the D.D.(RH in the foregoing note the proposal at *A* in the foregoing Development Department note may be agreed to. The expenditure should be met from the sanctioned grant. The sanction may be ~~for~~ subject to the retention of the necessary provision in the next year budget estimate

Sd/-
24/2/55
25/2/55

U.O.R. to D.D. (B.C.R.& H.) dated 3/3/55.

Statement of expenditure incurred on loans and advances to the displaced persons during theyear from 1947-48 till December 1954 and budget provision 1955-56. (figures in thousands

S. No.	Head of Expdr.	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55 tillDec. 1954-.	Total.	Budget of 1955-56.	Remarks.
1.	Urban Loans.	-	5,97	68,32	52,11	11,34	1,70	1,54	1,70	1,42,68	1,500	
2.	Rural Loans.	-		-	6,87	1,49	4,12	-	-	12,48	4,00	
3.	House Building Loans	-			5,97	15,67	15,58	101,59	16,06	1,64,87	1,500	
Total :-			5,97	68,32	64,95	28,50	21,40	1,03,13,	1,776	3,20,03	34,00	

X.D.
7/9.

Development Department/D
(B. C. R.H)

ubmitted with reference to office note dated 18/2/55.

2. The Finance Department having agreed to the proposal appended draft Government Resolution may issue .

4/3/55

Sd/-
10/3/55

7/3/53

ADDITIONAL ESTABLISHMENT.
Creation of - in the
Rehabilitation Department,
Secretariat, Bombay.

GOVERNMENT OF BOMBAY.
Rehabilitation Department.
Resolution No.EST.1054-D
Secretariat (Annexe), Fort
Bombay, 29th March 1954.

Read Government Resolution, Rehabilitation Department, No.EST-1054-D dated the 11th February 1954.

Read Circular Memorandum, Finance Department, No.P.259-VII, dated the 13th August 1953.

RESOLUTION :- Sanction is accorded to the creation of post of Junior Assistant in he scale of Rs.120-10-200-E.B.10-250 plus usual dearness allowance as admissible under rules, in the Rehabilitation Department, Secretariat, Bombay, with immediate effect, for the period ending the 28th February 1955, for the work in connection with the reconciliation of expenditure, under the head, "XX-Interest on ~~Miscellaneous~~ Loans and Advances - Advances in connection with the Relief and Rehabilitation of Displaced Persons".

interest on miscellaneous loans and advances

2. The expenditure is debitable to the head "25-General Administration-C-Secretariat and headquarters Establishment-K-Civil Secretariat-K 15-Rehabilitation Department" and should be met from the provision that is proposed to be made in the budget for 1954-55, under the head mentioned above

By order and in the name of the Governor of Bombay,

(Sd)

(N.M.JANI.)

Assistant Secretary to the Government of Bombay,
Rehabilitation Department.

To

The Accountant General, Bombay, (through the Finance Department,)

The Finance Department,

The Examiner, Outside Audit Department, Bombay,

All Departments of the Secretariat,

Msp/14/6